

## ORIGINAL

Decision No. 60381

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SAN GABRIEL VALLEY WATER COMPANY for  
a certificate of public convenience  
and necessity to furnish water service  
in territory in the City of Montebello  
and adjacent territory in Los Angeles  
County, California.

Application No. 41843  
Amended

Hackett & Hubbard, by Ralph B. Hubbard, for applicant.  
McCutchen, Doyle, Brown and Enerson, by H. Crawford  
Greene, Jr., for California Water Service Company,  
protestant.  
Richard Entwistle and Chester Newman for the  
Commission staff.

O P I N I O N

By the application herein, filed with this Commission on January 7, 1960, and amended by an amendment filed on February 5, 1960, San Gabriel Valley Water Company (applicant) requests authority to extend service to approximately 1800 acres of land situated in Los Angeles County, California, part of which land is in the City of Montebello.

A public hearing on the application was held in Los Angeles before Examiner Kent C. Rogers on April 13, 1960, and the matter was submitted.

California Water Service Company, protestant, a public utility water company, serves an area immediately west of the proposed service area. The Cities of Monterey Park and Montebello bound the proposed service area on the northwest, applicant's El Monte District bounds the area to the north and east, its Whittier District bounds

the proposed area on the southeast, the Park Water Company serves a school and a small area inside the proposed service area and a small area contiguous to and south thereof, and the Montebello Land and Water Company serves an area southwest of the proposed service area. All parties were given copies of the application and the amendment, and were notified of the hearing. There were no protests except by the California Water Service Company (protestant) which requested that it be permitted to serve an area containing three subdivisions, as hereinafter noted, located in the west end of the proposed service area.

Exhibit No. 1, the Service Area

The proposed service area is shown in Exhibit No. 1 herein which shows it divided into areas C and B-C.

Area C contains approximately 1576 acres varying in elevation from 280 to 600 feet. It is owned by the Standard Oil Company, the Catholic church, the Pacific Lighting Gas Supply Company, the Monterey Park Land Corporation, the Southern California Edison Company, and Brighton Built Homes. The majority of these owners, including Brighton Built Homes and Pacific Lighting Gas Supply Company, have advised the applicant that they consider it to their advantage to have applicant's service available in the area (Exhibits Nos. 4, 5, 6 and 7).

Brent Builders Inc., through its subsidiary Brighton Built Homes, is starting the construction of a total of approximately 600 homes in three subdivisions (Tracts Nos. 24255, 24749, and 24254) in the west end of the area which also contains Pacific Lighting Gas Supply Company's area and a part of Southern California Edison Company's land. It has entered into a main extension agreement with

applicant, subject to the approval of this Commission (Exhibit No.5), whereby applicant will install mains, services, fire hydrants, storage, booster pumps, and a 14-inch connection to the Metropolitan Water District's 72-inch line whereby it can secure 4500 gallons of water per minute. The 72-inch Metropolitan Water District's line passes through the three-numbered tracts in the west end of the proposed service area and the 14-inch connection would be located near the southern edge of the proposed area (Exhibit No. 1). The mains, services, hydrants and booster pumps will be financed with advances furnished by the subdivider. The reservoir, of 600,000-gallon capacity, will be financed 50 percent by the subdivider subject to a refund agreement and 50 percent by applicant from its own funds. The Metropolitan Water District connection is estimated to cost \$35,000. Applicant will pay 80 percent of this amount from its own funds and the subdivider will pay 20 percent subject to the refund agreement.

The total cost of the installation to serve the three subdivisions in the west end of the proposed service area is estimated at \$259,025, of which the subdivider will advance \$207,025.

The main extension agreement referred to, supra, is the subject of another application (Application No. 42150) filed April 13, 1960 by the applicant in this proceeding, in which Commission authorization is sought for said agreement.

Area B-C is a small portion of the proposed service area and varies in elevation from 200 feet to 350 feet. Therein is a school and a small tract served by Park Water Company which are to be excluded from the service area. Park Water Company did not object to the applicant's proposal to serve said area which includes the service area of La Merced Heights Land and Water Company, an alleged mutual water company whose customers are now served with water by applicant at its Whittier Division rates.

Development of the Area

The staff estimates development in the area of 3700 homes, of which approximately 1200 are being served or are under construction. This includes approximately 600 soon to be constructed homes in the three new subdivisions of Brighton Built Homes, approximately 273 homes in the mutual service area, and approximately 312 homes to be constructed in three new subdivisions in the B-C area.

Rates

Applicant will apply its present Whittier Division rates in the B-C area or the area contiguous to said Division in the south portion of the proposed service area. Due to the high elevation of the balance of the proposed service area, applicant will apply a new set of rates known as its Merced Hills Tariff.

The proposed rates for both areas are as follows:

		<u>Per Meter Per Month</u>	
		<u>Merced Hills</u>	<u>Whittier</u>
		<u>Tariff Area</u>	<u>Division</u>

Quantity Rates:

First	800 cu. ft. or less	\$2.40	\$2.00
Next	1,200 cu. ft., per 100 cu. ft.	.20	.15
Next	3,000 cu. ft., per 100 cu. ft.	-	.12
Next	28,000 cu. ft., per 100 cu. ft.	.15	-
Over	5,000 cu. ft., per 100 cu. ft.	-	.09
Over	30,000 cu. ft., per 100 cu. ft.	.14	-

Minimum Charge:

For 5/8 x 3/4-inch meter	2.40	2.00
--------------------------	------	------

The Water Supply

The greater portion of the C area (Exhibit No. 1) of the proposed service area is presently undeveloped. The Brighton Built Homes area in the west end, however, is under construction.

At the outset, at least, applicant will secure water for these subdivisions from the 14-inch connection to the Metropolitan

Water District. The pressure from this Metropolitan Water District line in conjunction with two 1000-gallons per minute booster pumps will force the water into reservoirs having a capacity of approximately 600,000 gallons to be located at an elevation of 520 feet. The B-C area (Exhibit No. 1) will receive water from two wells to be acquired from the La Merced Heights Land and Water Company having a total production of approximately 1000 gallons of water per minute, and a well in applicant's Whittier Division which produces approximately 3000 gallons of water per minute which is allegedly not needed in the Whittier Division. Applicant has a 183,000-gallon storage tank in its Whittier Division adjacent to the B-C area and plans to install two 1000-gallon-per-minute booster pumps to deliver water from this tank to said area.

There appears to be ample water available for the ultimate development of the entire proposed service area.

#### Financing

At the outset, the extensions to the three new subdivisions in the C area will cost approximately \$259,025 of which \$207,025 will come from advances for construction furnished by the subdivider. Approximately \$272,000 will be required to acquire the mutual assets in the B-C area and to install the necessary facilities. The three new subdivisions therein will also be financed to a large extent by means of advances for construction. The applicant stated it has \$528,000 of bondable additions on which it can borrow up to \$400,000 on an open-end trust.

#### The Protestant

California Water Service Company is a public utility water corporation. The filed tariff and map of its East Los Angeles district reflects a service area extending on the east to the west edge of applicant's proposed service area adjacent to the Brighton

Built Homes area. It is attempting herein to exclude from the proposed service area a portion which would include the said three tracts of Brighton Built Homes.

On December 10, 1958, the subdivider contacted the protestant relative to furnishing water to Tract No. 24749 which ultimately became Tracts Nos. 24749, 24254, and 24255. On December 26, 1958 the City of Montebello requested that protestant give it a report on the furnishing of water to the subdivision. On December 31, 1958, the protestant advised the city it would furnish water to the area pursuant to its filed tariffs and subject to its main extension rule. On October 14, 1959, the subdivider gave the protestant plat plans of the proposed subdivisions. On December 22, 1959, the protestant gave a cost estimate of \$244,774 for serving the area, said sum to be deposited by the subdivider. The filed rates of protestant for the area are \$1.90 per month for a 5/8 by 3/4-inch meter plus \$.155 per 100 cubic feet for the first 30,000 cubic feet.

The subdivider never executed an agreement with the protestant, and on April 12, 1960, signed the agreement<sup>1/</sup> with the applicant whereby it agreed to advance the total sum of \$207,025 subject to refund.

Applicant's proposed rates for this area are \$2.40 per month for a 5/8 x 3/4-inch meter and 800 cubic feet or less plus \$.20 per 100 cubic feet for the next 1200 cubic feet.

For 2000 cubic feet per month of consumption, the applicant's rates would be \$0.20 less than the protestant's.

There is no contention here that either protestant or applicant has authority to serve the area involved and neither company is, nor contemplates, interfering with the line, plant or

---

<sup>1/</sup> Submitted to the Commission for approval by Application No. 42150. Approval is being granted by Decision No. 60382, issued concurrently with the decision herein.

system of the other. If the protestant had extended service to the three subdivisions referred to supra it could have done so without authority from this Commission. It did not do so, however, and the interested party, the subdivider, agreed with the applicant that applicant should furnish it with water. The applicant is willing to furnish water and has the finances and ability to so do. In view of these facts it is our opinion that the protest should be disallowed.

#### The Staff

The staff of the Commission made three recommendations relative to the granting of the proposed certificate. These recommendations are reasonable and will be included in the order herein.

#### Findings

Upon the evidence of record herein, it appears, and we find, that public convenience and necessity require the granting of the certificate of public convenience and necessity as hereinafter set forth, subject to the conditions set forth in the order herein and to the following provision of law:

The Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

The service area authorized herein includes only that portion of the proposed service area for which there was a showing of need in the immediate future. No restriction will be imposed concerning expansion to additional areas.

It further appears and we find that applicant shall be permitted to file the schedules of rates as set out in the order herein.

O R D E R

An application having been filed, a public hearing having been held thereon, the matter having been submitted and now being ready for decision, and the Commission having made the foregoing findings and based on said findings,

IT IS ORDERED that San Gabriel Valley Water Company, a corporation, be, and it hereby is, granted a certificate of public convenience and necessity to construct, acquire and operate a public utility water company in that portion of Los Angeles County, California, described as follows:

Portions of Township 2 South, Range 12 West, San Bernardino Base and Meridian, in the City of Montebello, County of Los Angeles, State of California, more particularly described as follows:

Beginning at the intersection of the centerline of the Rio Hondo River Channel with the westerly prolongation of the centerline of Gallatin Road; thence westerly along said westerly prolongation to an intersection with the southeasterly boundary line of Tract No. 13859 as per map recorded in Book 282, Pages 15 to 18 of Maps, Records of said County; thence northeasterly, northwesterly, westerly and northwesterly along said boundary line and its prolongation to an intersection with the centerline of Lincoln Avenue; thence westerly along said centerline to an intersection with the centerline of Poplar Avenue; thence southerly along said centerline 479 feet, more or less, to a line parallel with and distant northerly 360 feet from the northerly line of Victoria Avenue; thence westerly along said parallel line to a line parallel with and distant westerly 498 feet from the westerly line of Poplar Avenue; thence northerly to a line parallel with and distant northerly 450 feet from the northerly line of Victoria Avenue; thence westerly to an intersection with the northerly prolongation of the centerline of Second Street; thence northerly along said prolongation 50 feet to a line parallel with and distant southerly 120 feet from the southerly line of Lincoln Avenue; thence westerly along



said parallel line 164.34 feet; thence northerly along a line parallel with the westerly line of Poplar Avenue to an intersection with the centerline of Lincoln Avenue; thence westerly along said centerline to an intersection with the southerly prolongation of the westerly boundary line of Tract No. 21171 as per map recorded in Book 558, Page 50 of Maps, Records of said County; thence northerly along said prolongation and westerly boundary line to the southwesterly boundary line of La Merced Heights Tract, as per map recorded in Book 28, Page 4 of Maps, Records of said County; thence northwesterly along said southwesterly boundary line to the most westerly corner of said La Merced Heights tract; thence northeasterly and southeasterly along the northwesterly and northeasterly boundary lines of said La Merced Heights tract to the intersection with the centerline of Lincoln Avenue; thence southwesterly, southerly and southeasterly along a curve concentric with and distant 180 feet southeasterly, easterly and northeasterly from the centerline of the Whittier Narrows Dam to an intersection with the centerline of the Rio Hondo River Channel; thence southwesterly along the centerline of the Rio Hondo River Channel to the point of beginning.

Also those portions of Lots 219 and 220 of La Merced Heights conveyed by La Merced Heights Land & Water Company to San Gabriel Valley Water Company by Deed recorded in Book D705, at Page 742, Official Records of said County.

BUT EXCLUDING THEREFROM all of Tract No. 15843 as per map recorded in Book 473, Pages 15-16 of Maps, Records of said County, and the property of Montebello School District in Lot 15 of said La Merced Heights.

Also that portion of Sections 2 and 3, Township 2 South, Range 12 West in the Repetto Rancho, as shown on the map accompanying the Deed of Partition, between Harris Newmark et al., recorded in Book 759, Page 14, of Deeds, described as follows:

Beginning at the intersection of the southwesterly boundary line of the Rancho La Merced, with the center line of Pomona Boulevard (formerly known as 3rd Street) as shown on County Surveyor's Map B-191, Sheet 11, on file in the office of the County Engineer of said County, said center line also being the North line of said Section 2; thence westerly along the center line of said Pomona Boulevard and along the North line of said Section 2, to a line parallel with and distant 150.00 feet, measured at right angles, southeasterly from the southeasterly line and its northeasterly prolongation .

of Lot 59 of Tract No. 7185, as per map recorded in Book 135, Pages 65 to 80 of Maps, in the office of the county recorder of said county; thence southwesterly along said parallel line to a point distant along said parallel line 1650.00 feet northeasterly from the easterly line of Wilcox Avenue, 80.00 feet wide, as described in deed to the City of Montebello, recorded September 8, 1926, in Book 6097, Page 16, Official Records of said County; thence southeasterly at right angles to said parallel line 925.00 feet; thence southwesterly parallel with said parallel line to said easterly line of Wilcox Avenue, 80.00 feet wide; thence southerly along said easterly line to the northerly line of Lincoln Avenue, 60.00 feet wide, as shown on the map of Tract No. 20643 recorded in Book 609, Pages 1 and 2 of said Maps; thence southeasterly along said northerly line of Lincoln Avenue, 1401.54 feet; thence at right angles to said northerly line North  $140^{\circ} 27' 11''$  East, 220.00 feet; thence North  $67^{\circ} 52' 28''$  East, 1956.90 feet, more or less, to the westerly line of the land described in deed to Pacific Lighting Gas Supply Company recorded August 15, 1956, as instrument No. 1923 in Book 52025, Page 162 Official Records of said County; thence northerly along said westerly line to the southerly line of the land described in deed to said Company recorded November 1, 1955, as instrument No. 399 in Book 49401, Page 227 of Official Records of said County; thence westerly and northerly along the southerly and westerly lines of said land to the southwesterly boundary line of said Rancho La Merced; thence northwesterly along said southwesterly line North  $42^{\circ} 32' 32''$  West, 1814.28 feet more or less, to the point of beginning.

EXCEPT that portion of said land included within the North 30.00 feet of said Section 2.

ALSO EXCEPT that portion from the remainder, described as follows:

Beginning at said point in said line which is parallel with the southeasterly line of said Lot 59 of Tract No. 7185, distant thereon along said parallel line North  $46^{\circ} 48' 11''$  East, 1650.00 feet from said easterly line of Wilcox Avenue, 80.00 feet wide; thence at right angles to said parallel line South  $43^{\circ} 11' 49''$  East, 1055.00 feet; thence at right angles North  $46^{\circ} 48' 11''$  East, 25.00 feet to the true point of beginning of the parcel of land herein described; thence at right angles South  $43^{\circ} 11' 49''$  East 300.00 feet to the point of beginning of a tangent curve concave northeasterly and having a radius of 25.00 feet; thence easterly along said curve through a central angle of  $90^{\circ} 00' 00''$  a distance of 39.27 feet; thence tangent to said curve North  $46^{\circ} 48' 11''$  East 120.00 feet to the beginning of a tangent curve concave southeasterly and

having a radius of 325.00 feet; thence northeasterly along said curve through a central angle of  $31^{\circ} 30' 00''$  a distance of 178.68 feet; thence normal to said curve North  $11^{\circ} 41' 49''$  West 108.00 feet; thence North  $57^{\circ} 17' 03''$  West, 136.12 feet; thence North  $89^{\circ} 57' 11''$  West, 150.00 feet; thence South  $62^{\circ} 02' 49''$  West, 175.00 feet; thence South  $46^{\circ} 48' 11''$  West, 60.00 feet to the true point of beginning.

IT IS FURTHER ORDERED that:

1. Applicant is authorized to apply, after the effective date of this order:

- (a) Its presently effective consolidated tariff schedules, other than rate schedules and tariff service area maps, in the areas designated B-C and C in Exhibit No. 1 in this proceeding.
- (b) Its presently effective rate schedules for its Whittier Division to the area designated B-C in Exhibit No. 1 in this proceeding.

2. Applicant shall file in quadruplicate with this Commission for its Whittier Division within thirty days after the effective date of this order and in conformity with General Order No. 96:

- (a) Revisions to such of its tariff schedules, including a tariff service area map acceptable to the Commission, as are necessary to provide for the application of the tariff schedules hereinabove authorized for the area designated B-C in Exhibit No. 1 as certificated herein.
- (b) The schedule of rates set forth in Appendix A attached to this order and a tariff service area map, acceptable to the Commission, for the area designated C in Exhibit No. 1 as certificated herein.

Such tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

3. Applicant shall notify this Commission, in writing, of the date service is first rendered to the public in the areas hereinabove certificated under the rates and rules authorized herein, within ten days thereafter.

4. Applicant shall file, within thirty days after the system is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map, drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings

the tract of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant, pertaining to the areas hereinabove certificated.

5. Applicant shall file with this Commission simultaneously with the tariff service area map required by paragraph 2 of this order, a legal description of its Merced Hills tariff area.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 12th day of July, 1960.

Everett C. McKeage  
President  
Matthew J. Dooley  
C. Lyn Fox  
Theodore H. Jenner  
Commissioners

EVERETT C. McKEAGE  
President  
MATTHEW J. DOOLEY  
C. LYN FOX  
THEODORE H. JENNER  
Commissioners

Peter E. Mitchell  
Commissioner....., being  
necessarily absent, did not participate  
in the disposition of this proceeding.

APPENDIX A

Schedule No. WEM-1

WHITTIER DIVISION

Merced Hills Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of the City of Montebello, and vicinity, Los Angeles County.

RATES

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>
First 800 cu.ft. or less .....	\$ 2.40
Next 1,200 cu.ft., per 100 cu.ft. ....	.20
Next 28,000 cu.ft., per 100 cu.ft. ....	.15
Over 30,000 cu.ft., per 100 cu.ft. ....	.14

Minimum Charge:

For 5/8 x 3/4-inch meter .....	\$ 2.40
For 3/4-inch meter .....	3.00
For 1-inch meter .....	4.80
For 1 1/2-inch meter .....	7.20
For 2-inch meter .....	11.40
For 3-inch meter .....	20.40
For 4-inch meter .....	36.00
For 6-inch meter .....	60.00

The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rates.